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Quality of Work Life and Employee Attrition: Empirical Evidence from Lower-Level Employees in Nepalese Commercial Banks

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Abstract

Employee attrition remains a significant challenge for commercial banks, particularly among lower-level employees whose stability is essential for service quality and operational continuity. Grounded in Walton's multidimensional Quality of Work Life (QWL) framework, this study examines the predictive relationship between eight QWL dimensions and employee attrition intention in Nepalese commercial banks. A cross-sectional survey was conducted among 244 employees, and hierarchical regression analysis was employed to assess the incremental contribution of QWL dimensions beyond demographic characteristics. The findings indicate that workplace quality factors significantly predict attrition intention. Growth opportunities and job security, opportunity to develop human capabilities, compensation perceptions, social integration, procedural fairness (Constitutionalism), and working conditions emerged as significant determinants, whereas social relevance of work and work-life balance did not show a statistically significant association. The study provides empirical evidence on the multidimensional role of quality of work life in shaping lower-level employee attrition intention within Nepalese commercial banks.

Keywords: banking sector, career growth and job security, hierarchical regression, organizational justice, quality of work life

Introduction

Employee turnover has become a major concern for all business organizations globally, given its detrimental effect on business productivity and workplace efficiency (Hinge et al., 2025). Employee attrition, commonly termed as employee turnover, denotes the voluntary departure of employees from an organization due to various factors or reasons (Hom et al., 2017; Varkaini et al., 2025). High employee attrition results in significant negative consequences for organizations, related to direct and indirect costs of recruitment, selection, and training, disruption of service, and reduced employee motivation (Allen et al., 2010). Hence, identifying the major determinants of employee attrition becomes utmost importance for any growing organization.

Employee attrition is a multidimensional phenomenon shaped by individual characteristics and perception, job nature, organizational values and norms, and external labor market conditions (Hom et al., 2017). Prior studies outlined push, pull, and personal factors for employee attrition. Push factors or internal factors relate to within the organization and include inadequate compensation, unfavorable working conditions, limited career advancement opportunities, lack of job security, perceived unfairness, excessive workload, monotony in work, and weak supervisory support (Singh & Singh, 2019). Pull factors or external factors, which are beyond the control of the organization, relate to the external labor market and include factors such as higher pay, better working conditions, or superior career prospects in competing organizations (Varkaini et al., 2025). Personal factors relate to individual circumstances, including family responsibilities, health concerns, and personal career aspirations (Singh & Singh, 2019; Varkaini et al., 2025). Recent sectoral studies found that work-life balance, lack of growth opportunities, and work stress have intensified attrition in the service sector, especially in the banking sector, where employees face continuous performance pressure and heavy workload demands (Sankararaman et al., 2023; Simkhada, 2024; Dhungana, 2025).

To provide a more integrative explanation of employee retention and turnover behavior, scholars have increasingly adopted the concept of Quality of Work Life (QWL). Walton's (1973) seminal framework identifies eight core dimensions of QWL: adequate and fair compensation, safe and healthy working conditions, growth and security, opportunity to use and develop human capabilities, social integration, constitutionalism, total space, and social relevance of work. QWL affects employee satisfaction and employee attrition. Empirical evidence demonstrates that higher perceived QWL is associated with improved job satisfaction, stronger organizational commitment, and lower turnover intention across various sectors (Abebe & Assemie, 2023). Further, the studies across health care, education, manufacturing, and service sectors consistently demonstrate that higher perceived QWL and organizational justice – particularly the constitutionalism dimension of QWL – are associated with lower turnover intention, even after controlling for demographic and job-related variables (Gazi, 2024; Zhao et al., 2024).

QWL is inherently multidimensional, encompassing economic, structural, and socio-psychological aspects of the work environment (Walton, 1973). Compensation and career growth primarily address instrumental and economic aspects of employment, whereas social integration, constitutionalism, and work-life

affect affective commitment and psychological well-being. Prior literature indicates that these dimensions are associated with job satisfaction, organizational commitment, and other positive attitudinal outcomes (Walton, 1973; Netto, 2019; Gazi et al., 2024). This multidimensionality underscores the need to examine the QWL dimensions simultaneously rather than in isolation.

The banking sector is one of the prominent areas within the service sector to examine the relationship between QWL and employee attrition. As service-driven organizations, banks are heavily dependent on service quality, customer relations, and employee performance for organizational success. As a result, employee turnover in banks has direct operational, financial, and reputational consequences (Allen et al., 2010). Prior empirical studies have identified compensation, career advancement opportunities, job satisfaction, and role-related stress as the major determinants of turnover intention in different countries (Almaamari, 2024; Lin et al., 2024; Shrestha et al., 2025).

In the Nepalese commercial banking context, employee attrition has become increasingly pronounced, with frequent job switching observed across both lower- and upper-level positions (Chalise, 2019; Shrestha et al., 2025). Prior studies in Nepal examined turnover intention focusing on determinants such as compensation and career development opportunities, job stress (including workload and role ambiguity), work-life balance, employer support, job security and working conditions (Dhungana et al., 2025; Ghimire & Chaudhary, 2025; Simkhada et al., 2024; Shrestha et al., 2025).

Despite growing scholarly attention to employee attrition and work-life quality, several important gaps remain. Although previous studies have provided valuable empirical insights, they frequently examine selected factors in isolation rather than evaluating the full spectrum of QWL dimensions conceptualized by Walton (1973). Hence, significant gaps remain in understanding how individual QWL dimensions predict employees' intention to leave within an integrated theoretical framework. This void in empirical evidence is especially evident among lower-level employees who operate under high operational pressure without the protection of career safety nets.

Hence, the present study has addressed these gaps by adopting a multi-dimensional quality of work life framework to examine its relationship with employee attrition among lower-level employees in Nepalese commercial banks. By simultaneously analyzing eight theoretically grounded dimensions of QWL using a multivariate approach, the study seeks to identify the relative contribution of each dimension to attrition intention while controlling for demographic characteristics. In doing so, the study contributes to existing literature by offering an integrated examination of QWL dimensions and providing context-specific empirical evidence to inform retention strategies in the Nepalese banking sector.

Literature Review

Theoretical Foundation of Quality of Work Life

The concept of Quality of Work Life (QWL) was formally introduced by Walton (1973), who proposed a comprehensive humanistic framework for improving

employees' well-being while maintaining organizational effectiveness. Walton conceptualized QWL as a multidimensional construct that extends beyond job satisfaction and compensation to encompass broader organizational and social factors influencing employees' work experiences.

Walton (1973) identified eight core dimensions of QWL: (1) adequate and fair compensation, (2) safe and healthy working conditions, (3) immediate opportunity to use and develop human capacities, (4) future opportunity for continued growth and security, (5) social integration in the work organization, (6) constitutionalism in the work organization, (7) work and total life space, and (8) social relevance of work life. These dimensions are an indication of the fulfillment of economic, psychological, social, and developmental well-being of employees at the workplace. Equity and financial aspects are covered by an adequate and fair compensation dimension. Safe and healthy working conditions address physical well-being. Career growth and job security are related to opportunities for growth and the security dimension. Social integration addresses the social needs and interpersonal relationship needs of human beings. Constitutionalism highlights perceived fairness, transparency, and respect for employee rights. Similarly, work-life balance relates to the balance between work and personal and family time. Social relevance connects organizational practices to broader societal values.

Walton's model of QWL is a comprehensive, multidimensional framework widely used in QWL research. The present study adopts Walton's framework to examine the relationship between QWL dimensions and employee attrition intentions among lower-level employees of commercial banks in Nepal.

Employee Attrition: Conceptual Perspective

Employee attrition, especially voluntary turnover, refers to the decision of an employee to leave their current organization due to various factors. The literature on employee attrition or employee turnover has shifted from a dissatisfaction-based model to a more comprehensive framework that constitutes employee job attitude, perceived job alternatives, organizational embeddedness, and broader contextual factors (Hom et al., 2017). Foundational models, such as March and Simon's theory of organizational equilibrium and Mobley's intermediate linkages model, placed job dissatisfaction and post-withdrawal cognition as predictors of actual turnover. However, contemporary theories expand upon this notion and place greater emphasis on organizational and situational factors.

Existing research frequently relates pay and compensation, job security, supervisor's support, the work environment, job-related stress, and career growth opportunities to employee attrition intentions. However, these variables closely align with Walton's framework of QWL. Hence, evaluating employee attrition intentions through a multidimensional QWL framework provides a unified and holistic approach to assessing turnover dynamics, especially for frontline personnel in a service-driven organization such as a commercial bank.

Empirical Study Linking Quality of Work Life Dimensions to Employee Attrition

Compensation and perceived fairness in pay are considered to be among the most important predictors of employee attrition. Varkiani et al. (2025) found that salary and performance premiums were the strongest indicators to employee resignation when using machine learning models to score the propensity for attrition. Shrestha et al. (2025) provided a similar assessment in terms of identifying compensation and benefits as major predictors of employee turnover. However, evidence is not completely uniform across studies carried out in different time periods. For example, Allen et al. (2010) reported that attitudinal variables such as organizational commitment and job satisfaction have a stronger influence on employee turnover behavior than salary and compensation variables. These mixed findings suggest that compensation is an important but context-dependent variable in predicting employee attrition intentions.

Workplace conditions and stress-related factors are also important determinants of turnover intentions. Lin et al. (2024) found that job autonomy stress and interpersonal relationship stress (reflecting social integration) are strong predictors of employee turnover intentions. Simkhada et al. (2024) and Shrestha et al. (2025) found that workload, role ambiguity, and unfavorable working conditions significantly increase turnover intentions among employees in the commercial banking sector of Nepal. Dhungana (2025) provided a similar assessment regarding how workload and an unsupportive work-life balance affect turnover intentions in Nepalese banks. Furthermore, Simkhada et al. (2024) found that supervisors' support (reflecting social integration) helps reduce employee turnover intentions. Similarly, Sankararaman et al. (2023) identified work-life balance and workplace stress as major determinants of employee attrition. In addition, Ghimire et al. (2025) demonstrated that enhancements in work-life balance and job security significantly dampen turnover intentions in commercial banks. Collectively, these studies reinforce Walton's dimensions of safe working conditions, work-life balance, and social integration as major predictors of employee turnover.

Opportunities for growth and career development are also frequently assessed in relation to employee retention outcomes. Chalise (2019) reported that career growth and work-life balance significantly foster employee retention in Nepalese commercial banks, whereas Singh and Singh (2019) found that meager career development opportunities, along with lagging compensation and unsupportive leadership, fuel employee attrition. Shrestha et al. (2025) also reached the same conclusion regarding the career development dimension. Thus, these findings validate Walton's dimensions of future opportunities for continued growth and security, and the opportunity to develop human capabilities, suggesting that employees routinely exit organizations where professional advancement and job security are limited.

Ethical organizational practices, including organizational justice, transparency, and respect for employee rights (constitutionalism), are also correlated with employee turnover and employee retention. Zhao et al. (2024) found that the institutionalization of transparency and respect for employee rights significantly reduces turnover intention among employees. In addition to this, Kim et al. (2020) found that an organization's commitment to social responsibility and ethical conduct is often associated with organizational identification and meaningfulness by

employees, which in turn discourages them from leaving the organization. These studies reinforce Walton's dimensions of constitutionalism and social relevance as key factors affecting employee turnover intentions.

Research Gaps

Despite the extensive literature on employee turnover and its underlying factors, several gaps remain unaddressed. First, most studies analyze individual determinants - such as pay and compensation, job-related stress, work-life balance, and career development - in isolation, rather than conducting a collective, integrated evaluation within a comprehensive QWL framework. Similarly, existing research within the Nepalese context remains fragmented, focusing on selected variables, such as stress, compensation, or work-life balance, while lacking a simultaneous examination of the overall QWL dimensions.

Beyond these theoretical gaps, the existing literature frequently overlooks critical institutional realities, as it has paid limited attention to lower-level employees in commercial banks. These individuals comprise mostly the frontline and operational workforce, who are exposed to heavy workload pressures, restricted career trajectories, minimal operational autonomy, and modest compensation structures. Paradoxically, while their performance is the most vital factor driving banking success and customer retention, empirical evidence investigating the predictive power of multidimensional QWL dimensions on attrition intentions within this specific segment of employees is limited.

Therefore, this study examines the relationships between comprehensive QWL dimensions and lower-level employee attrition intentions within the Nepalese commercial banking context.

Hypotheses Development

This study uses Walton's multidimensional QWL framework to investigate the influence of workplace conditions and work-environment-related variables on employee turnover intentions. Prior empirical evidence suggests that unfavorable workplace conditions and work-environment-related variables accelerate turnover intentions, whereas favorable conditions dampen them. Hence, each QWL dimension is hypothesized to be negatively related to employee attrition intentions.

Adequate and Fair Compensation

The perception of compensation fairness directly shapes employees' perceptions of organizational equity and institutional support. Inadequate or inequitable compensation packages increase dissatisfaction and trigger turnover cognitions (Shrestha et al., 2025; Varkiani et al., 2025). Therefore:

H1: Adequate and fair compensation is negatively related to employee attrition intention.

Safe and Healthy Working Conditions

An unsafe and stressful working environment increases occupational strain and premature burnout (Sankararaman et al., 2023; Simkhada et al., 2024), which in turn contributes positively to turnover intention. Hence,

H2: Safe and healthy working conditions are negatively related to employee attrition intention.

Growth Opportunities and Job Security

Organizations that provide clear avenues for career development and job security experience lower turnover behaviors among their employees. Conversely, stagnant growth opportunities and job insecurity accelerate turnover intentions (Chalise, 2019; Ghimire et al., 2025). Therefore:

H3: Growth opportunities and job security are negatively related to employee attrition intention.

Opportunity to Use and Develop Human Capabilities

Organizations that provide opportunities for their employees to utilize their knowledge and skills as well as capacity development experience a lower tendency to exit the organization (Lin et al., 2024). Accordingly:

H4: Opportunities to use and develop human capabilities are negatively related to employee attrition intention.

Total Life Space (Work–Life Balance)

A frequent imbalance between work-life and family time can create psychological strain and dissatisfaction, which in turn leads to turnover intentions (Dhungana, 2025; Sankararaman et al., 2023). Thus:

H5: Total life space (work–life balance) is negatively related to employee attrition intention.

Social Integration in the Workplace

An organizational work environment having positive interpersonal relationships, supportive supervision, and a sense of inclusiveness cultivates a sense of belongingness and job satisfaction, resulting in a decrease in voluntary employee turnover (Lin et al., 2024; Simkhada et al., 2024). Hence:

H6: Social integration in the workplace is negatively related to employee attrition intention.

Constitutionalism in the Work Organization

Employees feel a sense of security when an organization has established norms and institutionalization regarding procedural justice, transparency, and respect for employee rights (Zhao et al., 2024). This helps prevent turnover intentions. Therefore:

H7: Constitutionalism within the work organization is negatively related to employee attrition intention.

Social Relevance of Work

Employees who perceive that their organization fulfills corporate social responsibility and acts ethically in support of broader societal benefits experience a sense of pride in associating with the organization and their job, which discourages turnover intentions among the employees (Kim et al., 2020). Hence:

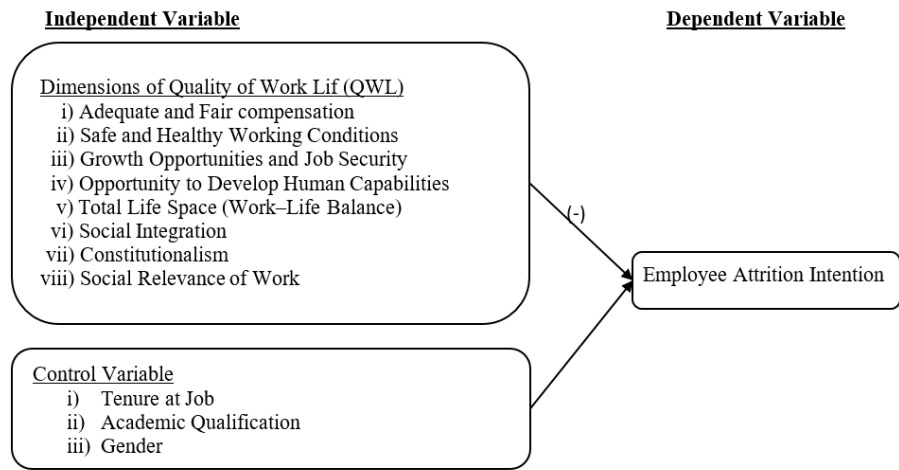
H8: Social relevance of work is negatively related to employee attrition intention.

Conceptual Framework

Based on the identified research gaps, a conceptual framework is established that outlines the eight QWL dimensions as predictors of employee attrition intentions among lower-level employees in Nepalese commercial banks. Additionally, tenure, academic qualification, and gender are included as control variables to account for potential demographic effects. The framework enables simultaneous examination of the relative contribution of each QWL dimension within a multivariate analytical model.

Figure 1

Conceptual Framework of Quality of Work Life and Employee Attrition Intention



Note. Authors’ conceptualization based on Walton’s (1973) Quality of Working Life framework and prior employee attrition literature.

Research Design

The present research used a combination of descriptive and quantitative research design. Hierarchical regression model has been used to assess the effect of QWL and control variable on employee attrition intention.

Sampling Method

Data was collected through an online questionnaire administered via Google Forms. The questionnaire was distributed through the official email channels of the respective banks and was also collected physically. A total of 320 questionnaires were distributed to lower-level employees out of only 261 responses were received making a response rate of 81.6%. The usable response for final analysis was 244 after proper screening and filtration. Nepal Bank Limited, Agricultural Development

Bank, and Rastriya Banijya Bank were excluded from the study as these institutions have substantial government ownership, and their recruitment and employment procedures are largely governed by the Public Service Commission. As a result, employment conditions, job security, and turnover dynamics in these banks differ structurally from those of privately managed commercial banks. Hence, to maintain homogeneity, the current study focused only on privately operated commercial banks. Similarly, Following Green's (1991) rule ($N \geq 50 + 8m$), a minimum of 138 observations was required for the final model with 11 predictors. The sample size of the present study exceeds this recommended threshold, suggesting that the data are sufficient for reliable estimation of regression parameters.

Instrumentation

The present study used a structured questionnaire to operationalize the construct of quality of work life (QWL) and employee attrition intentions. The questionnaire has been developed from established and widely cited scales in QWL and employee turnover literature and adapted to the Nepalese commercial banking context. The measurement of QWL and its dimension was primarily based upon the Walton's (1973) Quality of Work Life framework, which conceptualizes QWL as a multidimensional construct encompassing adequate and fair compensation (4 items), safe and healthy working conditions (4 items), opportunities for growth and security (3 items), opportunities to use and develop human capabilities (5 items), social integration in the work organization (4 items), constitutionalism in the work organization (4 items), total life space (5 items), and social relevance of work (3 items). A four-point Likert scale has been used to measure these dimensions. These eight dimensions have been extensively used and validated in prior empirical studies across service and banking sectors (Nanjundeswaraswamy & Swamy, 2016; Abebe & Assemie, 2023).

Data Analysis

This study used Stata 17 to analyze the collected data. Descriptive statistics (means and standard deviations) were used for the initial summarization of QWL dimensions and dependent variable, employee attrition intentions. Hierarchical multiple regression was employed to examine the incremental predictive power of the QWL dimensions over control variables (gender, education level and work experience) on employee attrition intentions. Further, diagnostic tests such as the Variance Inflation Factor (VIF) for multicollinearity, the Breusch–Pagan test for heteroskedasticity, and the Shapiro–Wilk test for residual normality, were used.

Model 1 (Control Variable):

$$\text{Attrition Intention} = \beta_0 + \beta_1 \text{Gender} + \beta_2 \text{Position} + \beta_3 \text{Experience} + \varepsilon \text{ -----}$$

---(i)

Model 2 (Control and QWL)

$$\text{Attrition Intention} = \beta_0 + \beta_1 \text{Gender} + \beta_2 \text{Position} + \beta_3 \text{Experience} + \sum_1^8 \beta \text{QWL} + \varepsilon \text{ -----(ii)}$$

Results and Findings

Respondent Profile

Table 1
Demographic Profile of Respondents(N=244)

Variable	Category	Frequency	Percentage
Gender	Male	149	61.1
	Female	95	38.9
Position	Supervisor	37	15.2
	Senior Assistant	74	30.3
	Assistant	56	23.0
	Junior Assistant	77	32.6

Note: Percentage may not total 100 due to rounding

Table 1 presents the demographic characteristics of the respondents. The distribution of gender shows that 61.1% are male and 38.9% are female employees, which indicates the dominance of the male workforce with substantial female representation. Similarly, in terms of job position, the largest proportion is covered by junior assistants with 31.6% of the respondents, followed by Senior Assistants (30.3%), Assistants (23.0%), and Supervisors (15.2%). Thus, most of the respondents are concentrated on junior- and mid-level positions.

Descriptive Statistics

Table 2 presents the descriptive statistics for employee attrition intention and quality of work life dimensions, all measured on a four-point Likert scale. The mean score for attrition intention ($M = 2.77$, $SD = 0.69$) indicates a moderately high level of switching propensity among respondents.

Table 2
Descriptive Statistics of Study Variable

Variable	Mean(M)	SD	Min	Max
Attrition Intention	2.77	0.69	1.00	4.00
Adequate and fair compensation	1.99	0.58	1.00	3.00
Safe and healthy working conditions	2.42	0.50	1.00	4
Growth opportunities and job security	2.36	0.41	1.67	3.33
Opportunity to develop Human Capabilities	2.30	0.52	1.20	3.60
Total life space (work–life balance)	2.51	0.50	1.20	4.00
Social integration	2.34	0.58	1.25	4.00
Constitutionalism	2.36	0.50	1.33	3.33
Social relevance of work	2.53	0.51	1.67	3.67

The dimension below midpoint of 2.5 represents unfavorable perception of QWL. Among the QWL dimensions, adequate and fair compensation recorded the

lowest mean score ($M = 1.99$, $SD = 0.58$), indicating comparatively greater negative perceptions regarding compensation-related aspects. Growth opportunities and job security ($M = 2.36$), opportunity to develop human capabilities ($M = 2.30$), social integration ($M = 2.34$), and constitutionalism ($M = 2.36$) also reflect moderate but below-midpoint evaluations. In contrast, total life space ($M = 2.51$) and social relevance of work ($M = 2.53$) are slightly above the midpoint, indicating relatively positive perceptions on these dimensions.

Reliability Statistics

Table 3
Reliability Statistics of QWL Dimensions

QWL Dimension	Number of Items	Cronbach's α
Adequate and Fair Compensation	4	0.87
Safe and Healthy Working Conditions	4	0.75
Growth Opportunities and Job Security	3	0.64
Opportunity to Develop Human Capabilities	5	0.75
Total Life Space (Work–Life Balance)	5	0.82
Social Integration	4	0.79
Constitutionalism	4	0.68
Social Relevance of Work	3	0.58

To assess the internal consistency, Cronbach's Alpha was used. Table 3 shows that six out of the eight constructs have the coefficient values within the acceptable zone (above 0.7) of the reliability assessment metric. However, Growth Opportunities and Job Security (0.64), Constitutionalism (0.68), and Social Relevance of Work (0.58) fall below the conventional benchmark. Given the limited number of items per construct and the adaptation of the established scales to the Nepalese commercial banking context, these dimensions were retained for the study.

Correlation Analysis

Table 4 presents the Pearson correlation coefficients between employee attrition intentions and the QWL dimensions. The results show that there exists a negative relationship between the dependent variable, employee attrition intentions, and most of the explanatory variables (six out of eight), as expected. There is a significant negative correlation between the explanatory variables- Adequate and fair compensation ($r = -.43$, $p < .01$), Safe and healthy working conditions ($r = -.16$, $p < .05$), Growth opportunities and job security ($r = -.25$, $p < .01$), Opportunity to develop human capabilities ($r = -.38$, $p < .01$), Constitutionalism ($r = -.35$, $p < .01$), and Social relevance of work ($r = -.24$, $p < .01$) – and employee attrition intentions. Variance inflation factors (VIFs) ranged from 1.51 to 3.76, with a mean VIF of 2.63 used to assess the multicollinearity among independent variables, which is below 5.0, the standard benchmark of VIF assessment.

Table 4
Pearson Correlations Among Study Variables

Variable	1	2	3	4	5	6	7	8
1. Attrition Intention	—							
2. Compensation	-.43**	—						
3. Safe Conditions	-.16*	-.18*	—					
4. Growth & Security	-.25**	-.10	.28**	—				
5. Human Capability Development	-.38**	.48**	-.11	-.27**	—			
6. Work–Life Balance	.03	.23**	.06	.23**	-0.0	—		
7. Social Integration	.21**	-.48**	.29**	-0.4	-.63**	.06	—	
8. Constitutionalism	-.35**	.56**	-.22**	-.31**	.62**	-.43**	-.51**	—
9. Social Relevance	-.24**	.49**	-.40**	-.20**	.35**	-.40**	-.43**	.68**

Note * $p < .05$, ** $p < .01$
(Values rounded to two decimals)

Hierarchical Regression Result

Table 5 presents the results of hierarchical regression analysis investigating the incremental predictive power of QWL dimensions on employee attrition intentions beyond demographic controls. The baseline model (Model 1) shows that 13% variation in employee attrition intentions ($R^2 = .13$, $p < .001$) is explained by demographic characteristics- gender, job position, and work experience. The inclusion of the QWL dimensions significantly increased the explanation of variation to 46% ($R^2 = .46$; $\Delta R^2 = .33$, $p < .001$). Information criteria (AIC and BIC) also confirmed the superiority of the extended model after the inclusion of QWL dimensions. Thus, QWL dimensions are significant predictors of employee attrition intentions after controlling demographic factors.

Adequate and Fair Compensation ($\beta = -.38$, $p < .001$), Growth Opportunities and Job Security ($\beta = -.74$, $p < .001$), Opportunity to Develop Human Capabilities ($\beta = -.53$, $p < .001$), Social Integration ($\beta = -.37$, $p < .001$), Constitutionalism ($\beta = -.34$, $p < .01$), and Safe and Healthy Working Conditions ($\beta = -.17$, $p < .05$) were all negatively associated with employee attrition intentions.

Table 5
Hierarchical Regression Result Predicting Employee Attrition Intention (N=244)

Variables	Model 1 β	Sig	Model 2 β	Sig.
Control Variables				
Gender (ref: Male)	-0.16†	0.08	0.00	0.97
Position (ref: Supervisor)				
Senior Assistant	-0.31*	0.03	-0.12	0.33
Assistant	0.09	0.51	-0.05	0.66
Junior Assistant	0.07	0.64	-0.17	0.12
Work experience	-0.09	0.18	-0.02	0.79
Quality of Work Life Dimensions				
Adequate and fair compensation	—		-0.38***	0.00
Safe and healthy working conditions	—		-.0.17**	0.03
Growth opportunities & job security	—		-0.74***	0.00
Opportunity to develop human capabilities	—		-0.53***	0.00
Total life space (work–life balance)	—		-0.07	0.44
Social integration	—		-0.37***	0.00
Constitutionalism	—		-0.34***	0.01
Social relevance of work	—		-0.11	0.17
Model fit				
R ²	0.13		0.46	
Adjusted R ²	0.11		0.43	
ΔR^2	—		0.33	
F	7.14***		16.37***	
AIC	490.18		387.55	
BIC	511.16		436.94	

Note. Entries are unstandardized regression coefficients (β)

† $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

These results indicate that unfavorable perceptions of workplace conditions and the work environment increase exit behavior or accelerate the switching propensity among employees. However, Total Life Space (work–life balance) and the Social Relevance of Work did not show statistically significant relationships with attrition intentions in the multivariate model.

Diagnostic Test

Diagnostic tests were conducted to assess whether the assumptions of ordinary least square regression were satisfied. The Breusch–Pagan test indicated the presence of heteroskedasticity (χ^2 , 1) = 6.51, $p = .0107$), suggesting non-constant error variance. To address this issue, the regression model was re-estimated using robust standard errors. The use of robust standard errors did not materially alter the magnitude, direction, or statistical significance of the coefficients. Therefore, the reported results are based on the model with robust standard errors.

Residual normality was assessed using the Shapiro–Wilk test. Although the test was statistically significant ($W = 0.944$, $p < .001$), visual inspection of the residual distribution suggested approximate normality. Given the relatively large sample size ($N = 244$) and the robustness of regression estimates to moderate deviations from normality, the assumption was considered sufficiently satisfied. Accordingly, the regression results are considered reliable

Discussion

The findings indicate that quality of work life plays a key role in shaping employee attrition intention among lower-level employees in Nepalese commercial banks. Adequate and fair compensation, growth opportunities, job security, opportunity to develop human capabilities, social integration, constitutionalism, and safe and healthy working conditions were all found to be strong predictors of employee attrition intention. However, total life space (work–life balance) and social relevance of work did not exert an effect on employee attrition intention.

Among the QWL dimensions, growth opportunities and job security emerged as the strongest predictors of attrition intention. This result aligns with prior studies conducted in the banking and service sectors, which identified career development and job security as critical determinants of employee retention. Chalise (2019) found that career opportunities significantly enhanced employee retention in Nepalese banks, while Singh and Singh (2019) emphasized the lack of growth prospects as a major driver of attrition. Similarly, Ghimire and Chaudhary 2025 found that job security exerts a significant effect on employee turnover intention. However, the strong influence of this dimension in the present study may be attributed to the characteristics of lower-level employees, who are typically at an early stage of career progression and are more likely to remain with organizations that offer career progression opportunities and a sense of employment stability.

Similarly, opportunities to develop human capabilities, social integration, and constitutionalism were found to significantly reduce employee attrition intention. Employees who perceive opportunities to utilize and enhance their skills are more likely to experience engagement and professional fulfillment, thereby reducing withdrawal tendencies. The finding corroborates results by Chalise (2019) and Shrestha et al. (2025). This also aligns with Walton’s proposition that meaningful skill utilization opportunity enhances quality of work life and organizational commitment among employees. Similarly, Social integration within the workplace is also found to be a significant predictor of employee attrition intentions. Simkhada et al. (2024) and Lin et al. (2024) had also similar results, which state that supportive interpersonal relationships and supervisor’s support lower employee turnover intentions. Similarly, constitutionalism— reflecting institutionalization regarding

procedural justice, transparency, and respect for employee rights—was negatively associated with employee attrition intentions, which aligns with the study by Zhao et al. (2024). Taken together, these findings suggest that when employees perceive fairness, opportunities for personal development, and interpersonal support from supervisors within the workplace, they are less likely to exit the organization.

Further, the findings of this study also corroborate prior empirical research on employee attrition in relation to adequate and fair compensation. Varkiani et al. (2025) identified compensation as one of the strongest predictors of voluntary attrition in financial institutions, while Shrestha et al. (2025) reported compensation and benefits as the most influential determinant of turnover behavior in Nepalese commercial banks. The present findings reinforce the continued relevance of compensation fairness within Walton's (1973) framework.

Similarly, the present study found safe and healthy working conditions, opportunities to develop human capabilities, social integration, and constitutionalism in predicting employee attrition intentions. Safe and healthy working conditions were found to be negatively associated with attrition intention. This result is consistent with prior empirical evidence related to the influence of job stress, workload, role ambiguity, and unfavorable working environment on employee attrition intention carried by Lin et al. (2024), Simkhada et al. (2024), Dhungana (2025), and Shrestha et al. (2025). The present findings therefore reinforce Walton's dimension of safe and healthy working conditions as a key determinant of employee retention, particularly for lower-level employees who are often exposed to higher operational pressure and limited decision-making autonomy.

In contrast, the present study did not find social relevance of work and work–life balance to be statistically significant predictors of lower-level employee attrition intention. For instance, Kim et al. (2020) found that employees' perceptions of their organization's corporate social responsibility and ethical conduct enhance organizational identification and job meaningfulness, thereby reducing turnover intention. Similarly, Chalise (2019), Dhungana (2025), and Ghimire et al. (2025) reported that unfavorable work–life balance significantly leads to employee turnover intention in the banking sector. One plausible explanation might be that lower-level employees are typically at an early stage of career progression, where their priorities might be on acquiring new skills and developing competences. And hence, they will be willing to tolerate work–life imbalance in exchange for career growth and job stability. Consequently, work–life considerations and broader perceptions of social relevance may be relatively less of a concern for them.

Implications

The findings of this study compliment literature on relationship between the Quality of Work Life and employee attrition demonstrating that multidimensional workplace factors significantly shape lower-level employees' attrition intention in Nepalese commercial banks. Growth opportunities and job security, fair compensation, opportunities for skill development, supportive working conditions, social integration, and organizational fairness emerged as major factors leading employee turnover. Hence, the result highlights the need for commercial banks to adopt comprehensive human resource strategies that emphasize clear career

progression pathways, employment stability, equitable compensation, supportive supervision, and fair organizational practices to reduce attrition intention.

Conclusion

This study examined the predictive power of QWL on employee attrition intention among lower-level employees in Nepalese commercial banks. Based on Walton's (1973) multidimensional QWL framework, the findings indicate that QWL dimensions- particularly Growth Opportunities and Job Security, Opportunity to Develop Human Capabilities, Adequate and Fair Compensation, Procedural Fairness (Constitutionalism), healthy interpersonal relations with peers and supervisors (Social Integration), and Safe and Healthy Working Conditions- are the major factors influencing employee attrition intentions. However, the relationship between Work–Life Balance and the Social Relevance of Work and employee attrition intention was not statistically significant. A possible explanation could be that lower-level employees in the early stages of their careers may compromise societal and personal priorities in favor of the ambition of career advancement, upward mobility, job security, skill acquisition, and capacity development. By integrating eight distinct QWL dimensions into a hierarchical regression framework, the study provides a comprehensive understanding of employees' intentions to leave in the Nepalese commercial banking context and highlights the importance of addressing structural and relational workplace factors to improve retention.

However, this study is subject to some notable limitations. This study used a cross-sectional research design, capturing observations at a particular point in time, which limits causal inferences regarding the relationship between the QWL dimensions and employee attrition intentions. Similarly, in terms of instruments, the use of self-reported questionnaires poses the risk of common method bias, which can inflate the observed relationships. Implementing longitudinal designs and objective turnover measures in future research can address these limitations. Further, extending the current framework to other organizational settings can increase generalizability.

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